

BUSINESS SERVICES



Maryland Department of Labor, Licensing and
Regulation
Division of Workforce Development
Office of Workforce Information and Performance
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Baltimore, MD 21201

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Business Services Cluster

What is included in the Business Services Cluster?

The Business Services Cluster is comprised of industries that render services to business establishments in support of business operations, and in some cases, to individuals or households. For the most part, the production processes of these industries are driven by human capital—that is, the skills and knowledge of the workforce—rather than equipment, machinery, or materials. This report groups industries in the Business Services Cluster into five divisions:

Professional, Scientific, and Technical Services establishments utilize the knowledge and skills of their employees to deliver services to clients, on a contract or fee basis. Individual industries in this group are defined according to the particular expertise and training of the services provider. Thus, the product delivered by these establishments is specialized knowledge. Included are the industries of:

NAICS

- **5411** Legal services
- **5412** Accounting, tax preparation, bookkeeping, and payroll services
- **5413** Architectural, engineering, and related services
- **5414** Specialized design services
- **5415** Computer systems design and related services
- **5416** Management, scientific, and technical consulting services
- **5417** Scientific research and development services
- **5418** Advertising and related services
- **5419** Other professional, scientific, and technical services

Management of Companies and Enterprises includes three main types of establishments: (1) those that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest; (2) those that administer, oversee, and manage other establishments of the company; and (3) those that both administer and manage other establishments of the enterprise and hold its securities. Included is the industry of:

NAICS

- **5511** Management of companies and enterprises

Administrative and Support Services includes establishments that perform routine support activities for the day-to-day operations of other organizations. These support services are often ongoing, integral parts of business activities found in all sectors of the economy. Traditionally, these activities were usually performed by businesses themselves, but more recently, the trend has been toward contracting out for these services. Establishments in this subsector specialize in one or more of these activities, and provide the services, usually on a contract or fee basis, to clients in a variety

of industries, and sometimes to households. Services performed involve: office administration, personnel hiring and placement, clerical services, solicitation, collection, security, and cleaning. Industries included are:

NAICS

- **5611** Office administrative services
- **5612** Facilities support services
- **5613** Employment services
- **5614** Business support services
- **5615** Travel arrangement and reservation services
- **5616** Investigation and security services
- **5617** Services to buildings and dwellings
- **5619** Other support services

Waste Management and Remediation Services establishments collect, treat, and dispose of waste materials. These establishments can be classified into three areas: (1) businesses that pick up hazardous or nonhazardous waste or recyclables, or operate transfer stations; (2) firms that treat and dispose of waste, including operators of landfills, solid waste incinerators, and hazardous waste treatment and disposal facilities; and (3) establishments engaged in remediation activities such as: cleaning of contaminated buildings, soil, or water; mine site reclamation; toxic material abatement; recyclables sorting; and septic systems and related servicing. Industries included are:

NAICS

- **5621** Waste collection
- **5622** Waste treatment and disposal
- **5629** Remediation and other waste services

Electronic/Precision Equipment and Commercial Machinery Repair and Maintenance

establishments are engaged in the repair and maintenance of equipment for businesses and consumers. Included in this group are establishments providing repair and maintenance services in two areas: (1) those servicing computers, consumer electronic equipment, office machines, communication equipment, and specialized precision scientific and medical instruments; and (2) those that service commercial and industrial machinery and equipment such as agricultural machinery, materials handling equipment, machine tools, commercial refrigeration equipment, construction equipment, mining machinery, and other heavy and industrial machinery and equipment. Included in the Business Services Cluster are:

NAICS

- **8112** Electronic and precision equipment repair and maintenance
- **8113** Commercial and industrial machinery and equipment repair and maintenance

For additional descriptive information on NAICS, go to www.census.gov/epcd/naics02/

This publication was developed using data from the Quarterly Census of Employment and Wages (ES 202) and from the Occupational Employment Statistics (OES) Programs.

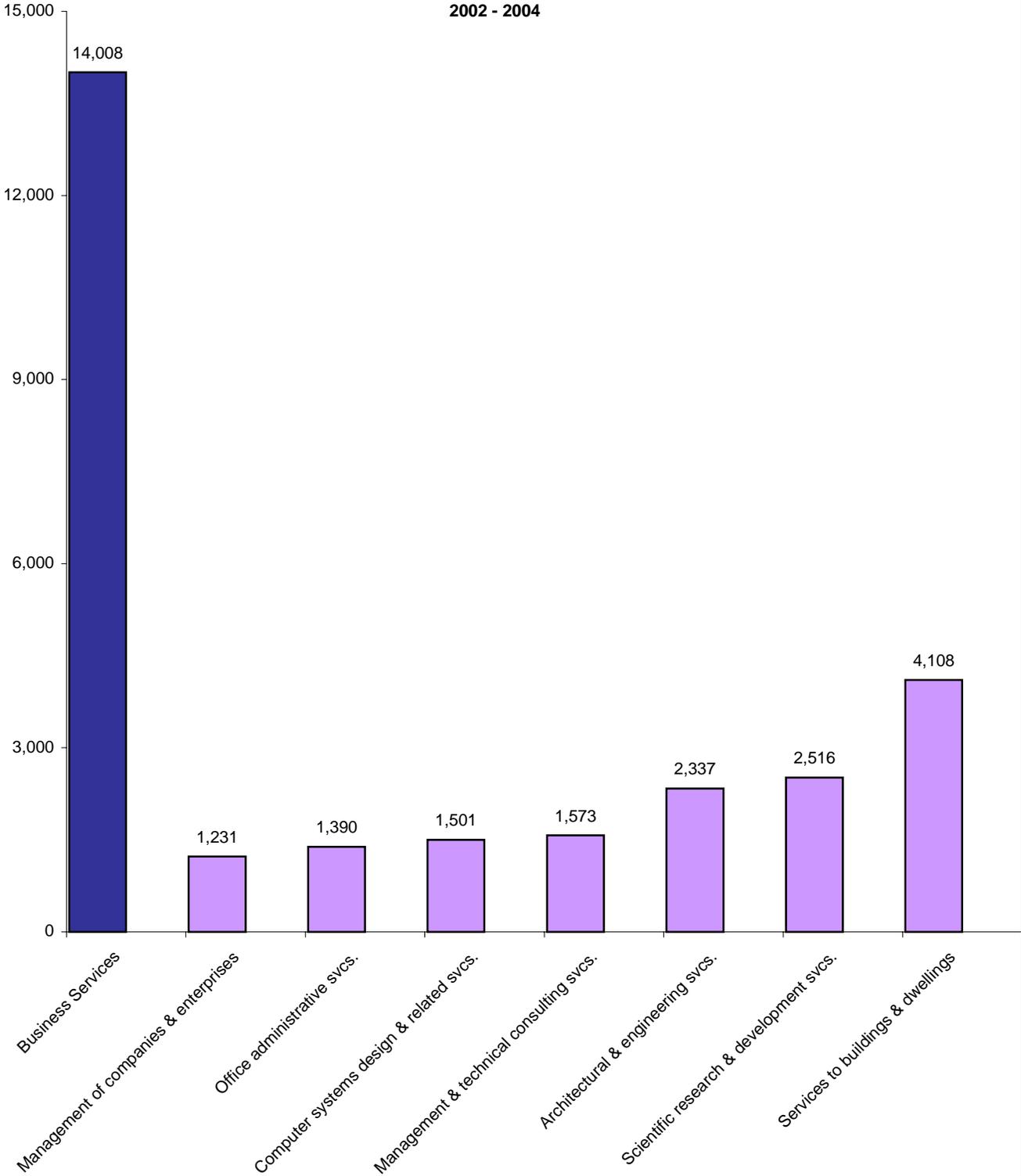
**Maryland
Employment and Wages in the Business Services Cluster Industries**

NAICS	Industry Description	Employment		Payroll		Average Wkly Wage 2004	Industry Share of Cluster
		2002	2004	2002	2004		
	Business Services	370,557	384,565	\$17,404,102,178	\$19,668,537,629	\$984	100.0
	Professional, Scientific and Technical Services	196,100	205,142	11,944,513,955	13,473,087,006	1,263	53.2
5411	Legal services	19,323	20,539	1,082,790,033	1,234,951,571	1,156	5.3
5412	Accounting & bookkeeping services	17,741	17,830	869,377,363	942,005,420	1,016	4.6
5413	Architectural & engineering services	35,735	38,072	2,141,550,321	2,480,745,687	1,253	9.9
5414	Specialized design services	2,677	2,759	109,789,773	118,114,865	823	0.7
5415	Computer systems design & related services	48,135	49,636	3,641,784,065	3,975,558,693	1,540	12.9
5416	Management & technical consulting services	22,010	23,583	1,304,104,489	1,525,616,616	1,244	6.1
5417	Scientific research & development services	29,803	32,319	1,905,461,675	2,265,561,515	1,348	8.4
5418	Advertising & related services	6,612	6,064	312,093,215	302,813,494	960	1.6
5419	Other professional & technical services	14,064	14,340	577,563,021	627,719,145	842	3.7
5511	Management of Companies & Enterprises	11,081	12,312	664,167,146	876,472,591	1,369	3.2
	Administrative and Support Services	132,742	137,633	3,417,843,256	3,848,249,629	538	35.8
5611	Office administrative services	7,963	9,353	417,837,836	540,558,895	1,111	2.4
5612	Facilities support services	1,021	1,086	36,885,248	46,991,645	832	0.3
5613	Employment services	47,013	46,319	1,203,386,872	1,245,683,910	517	12.0
5614	Business support services	12,374	11,249	341,447,250	330,870,864	566	2.9
5615	Travel arrangement & reservation services	3,021	2,946	84,502,466	90,050,889	588	0.8
5616	Investigation & security services	16,920	17,505	407,620,410	484,442,146	532	4.6
5617	Services to buildings & dwellings	39,929	44,037	784,829,839	947,186,798	414	11.5
5619	Other support services	4,501	5,138	141,333,335	162,464,482	608	1.3
	Waste Management & Remediation Services	7,781	7,465	303,938,354	315,177,031	812	2.0
5621	Waste collection	3,208	2,938	104,975,497	103,263,650	676	0.8
5622	Waste treatment & disposal	2,539	2,403	124,823,444	126,920,711	1,016	0.6
5629	Remediation & other waste mgmt. services	2,034	2,124	74,139,413	84,992,670	770	0.6
	Electronic/Precision Equipment & Commercial Machinery Repair/Maint.	4,707	4,478	203,037,124	207,376,625	891	1.2
8112	Electronic equipment repair & maintenance	1,656	1,581	74,117,999	77,448,642	942	0.4
8113	Commercial machinery repair & maintenance	3,051	2,897	128,919,125	129,927,983	862	0.8
	Nondistributable*	18,146	17,535	870,602,343	948,174,747	1,040	4.6

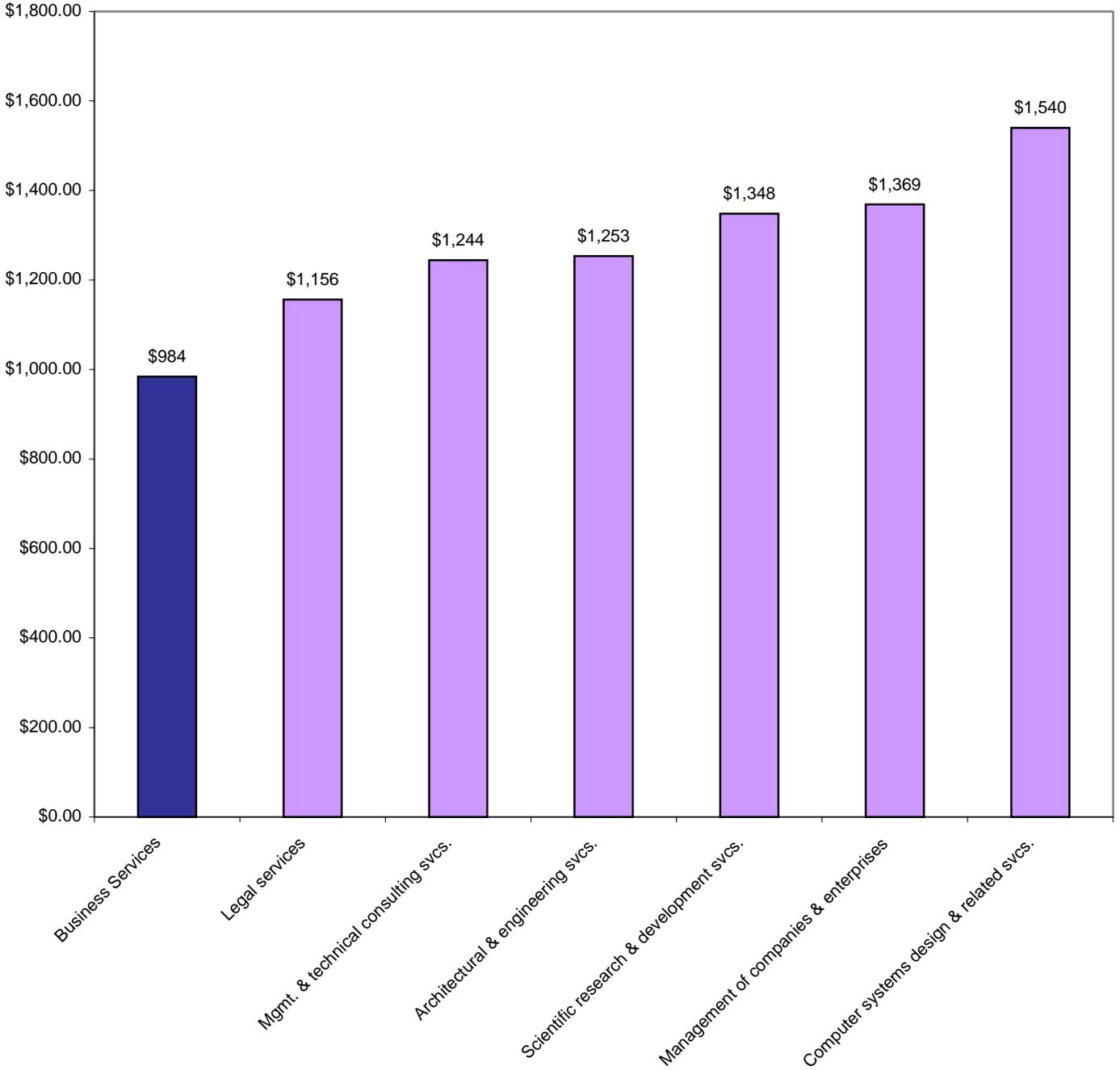
- Following a slight decline in 2002, employment in the Business Services Cluster rebounded in 2003 -- an expansion netting just over 14,000 jobs through 2004. Of the cluster's subsectors, the largest gain, of just over 9,000 jobs, was among providers of professional, scientific and technical services. Within this subsector, advances among firms offering scientific research and development services and those providing architectural and engineering services, when combined, accounted for about 54% of the overall subsector gain.
- Within the administrative support group, the cluster's second largest subsector, nearly 85% of the overall growth was attributable to expansion in services to buildings and dwellings which includes businesses providing janitorial and landscaping services.
- More than one-quarter of Maryland's business services employment is located in the Montgomery County Workforce Area -- almost twice the share of Baltimore County, the workforce area with the second highest employment concentration.

* Includes establishments in the Business Services Cluster NAICS industries that cannot be distributed geographically.

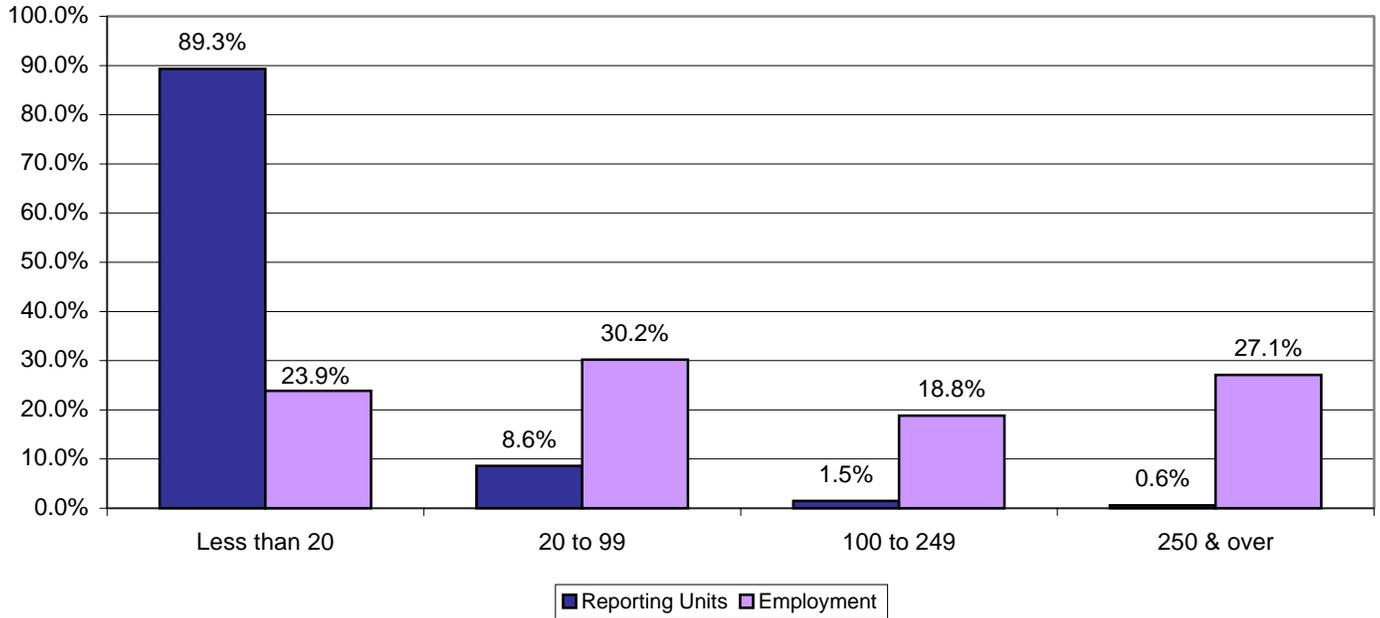
Maryland
Top Growth Industries in the Business Services Cluster
2002 - 2004



Maryland
Highest Paying Industries in the Business Services Cluster
2004



**Reporting Units and Employment Concentration in the Business Services Cluster
by Size Class
Based on 4th Quarter 2004 Average Employment**



	Reporting Units				Employment			
	Less than 20	20 to 99	100 to 249	250 & over	Less than 20	20 to 99	100 to 249	250 & over
Business Services Cluster	27,572	2,639	460	184	87,633	110,610	69,021	99,442
Percent of Total	89.3%	8.6%	1.5%	0.6%	23.9%	30.2%	18.8%	27.1%

- Small employers dominate the Business Services cluster. About 9 out of every 10 firms in the cluster employ less than 20 workers. Among the detailed industries in the cluster, the highest density of small businesses are found among computer systems design firms, followed closely by firms providing management and technical consulting services.
- Three out of every ten jobs in the cluster are found within firms employing 20-99 workers. The highest concentration of employment in this size class is among businesses providing computer systems design services. Employment services firms and businesses supplying services to buildings and dwellings also report sizable employment in this stratification. These three types of businesses, when combined, account for nearly 40% of the employment in the 20-99 category.

* Includes establishments in all Business Services NAICS industries that cannot be distributed geographically.

Maryland
Occupations with High Employment Concentrations in the Business Services Cluster

Occupation	Annual Openings			Training Code	Median Hrly/Annual Wage
	Growth *	Replacements *	Total *		
Lawyers	285	175	460	1	\$43.00
General & Operations Managers	1,420	1,230	2,650	4	38.75
Management Analysts	415	255	670	4	34.50
Financial Managers	295	210	505	4	37.25
Computer & Information Systems Managers	295	155	450	4	49.00
Engineering Managers	90	95	185	4	49.25
Accountants & Auditors	300	365	665	5	26.25
Computer Systems Analysts	485	230	715	5	36.75
Computer Programmers	180	305	485	5	30.75
Computer Software Engineers, Systems Software	665	135	800	5	43.50
Civil Engineers	115	70	185	5	29.25
Mechanical Engineers	50	125	175	5	35.75
Architects	95	25	120	5	30.25
Computer Software Engineers, Applications	495	110	605	5	38.75
Computer Support Specialists	315	135	450	6	20.75
Paralegals & Legal Assistants	180	40	220	6	19.75
Legal Secretaries	70	50	120	7	19.25
Architectural & Civil Drafters	50	50	100	7	19.00
Supervisors, Office & Administrative Support Workers	290	620	910	8	21.50
Supervisors, Mechanics, Installers and Repairers	140	205	345	8	26.00
Executive Secretaries & Administrative Assistants	400	580	980	10	18.50
Customer Service Representatives	735	485	1,220	10	14.25
Bookkeeping, Accounting & Auditing Clerks	150	550	700	10	15.75
Secretaries, exc. Legal, Medical & Executive	230	835	1,065	10	14.50
Maintenance & Repair Workers, General	370	390	760	10	15.25
Sales Reps., WT & Manufacturing, exc. Technical & Sc.	520	645	1,165	10	23.50
Office Clerks, General	695	1,165	1,860	11	12.25
Receptionists & Information Clerks	690	610	1,300	11	11.50
Janitors & Cleaners	1,165	745	1,910	11	9.00
Laborers & Freight, Stock & Material Movers, Hand	175	1,280	1,455	11	10.50

Note: Occupations are ranked by training code

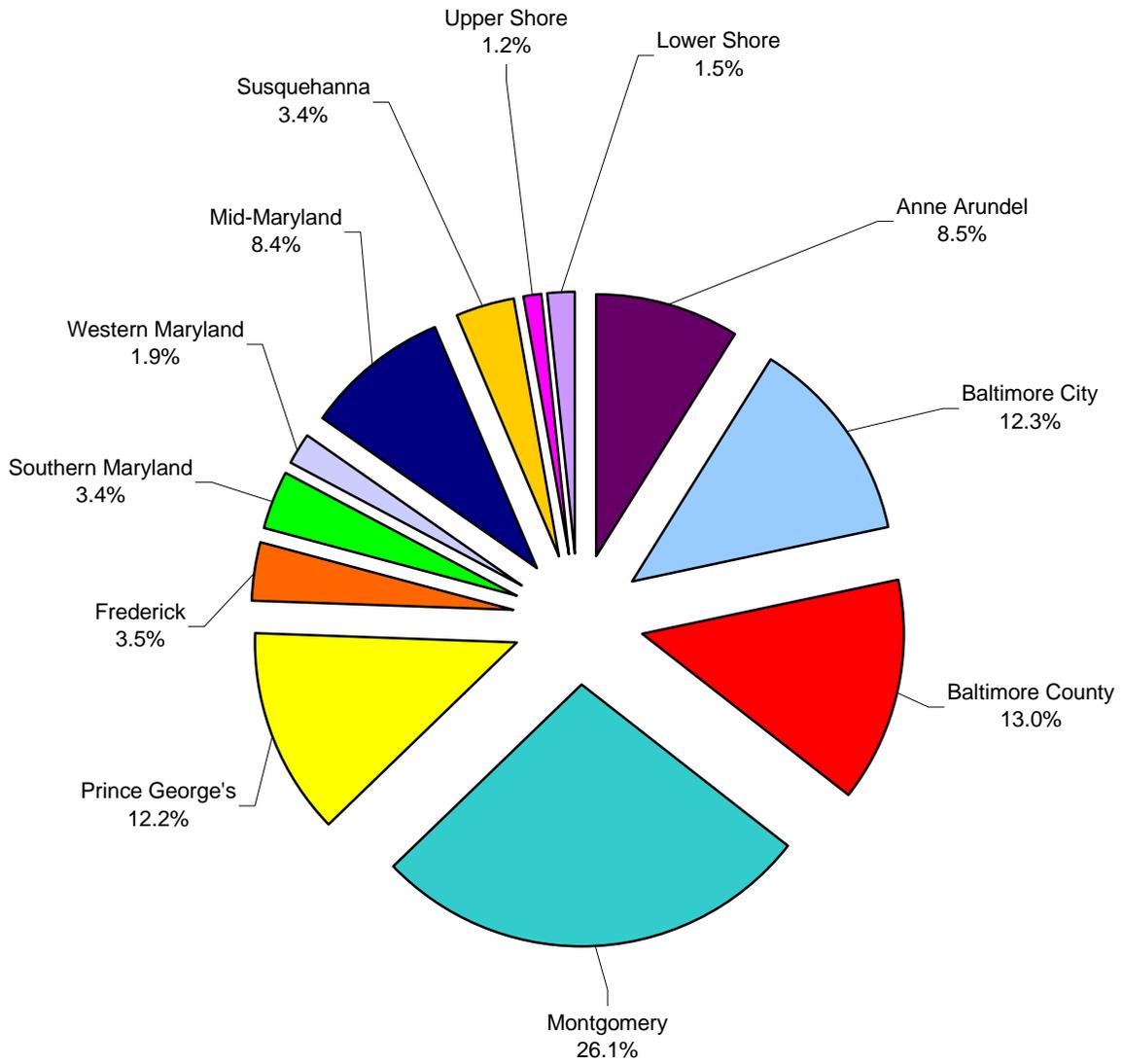
Estimates for Annual Openings, representing economy-wide demand for 2002-2012, are rounded to the nearest 5
Wages adjusted to reflect inflationary pressures through September 2005.

Education and Training Categories

Occupations are classified into 1 of 11 categories by the Bureau of Labor Statistics based on analyses of the occupation's usual education and training requirements conducted while developing information to present in the *Occupational Outlook Handbook*. The 11 classifications are as follows:

- 1 **First professional degree.** Completion of the academic program usually requires at least 6 years of full-time equivalent academic study, including college study prior to entering the professional degree program.
- 2 **Doctoral degree.** Completion of the degree program usually requires at least 3 years of full-time equivalent academic work beyond the bachelor's degree.
- 3 **Master's degree.** Completion of the degree program usually requires 1 or 2 years of full-time equivalent study beyond the bachelor's degree.
- 4 **Bachelor's or higher degree, plus work experience.** Most occupations in this category are managerial occupations that require experience in a related nonmanagerial position.
- 5 **Bachelor's degree.** Completion of the degree program generally requires at least 4 years but not more than 5 years of full-time equivalent academic work.
- 6 **Associate degree.** Completion of the degree program usually requires at least 2 years of full-time equivalent academic study.
- 7 **Postsecondary vocational award.** Some programs last only a few weeks while others may last more than a year. In some occupations, a license is needed that requires passing an examination after completion of the training.
- 8 **Work experience in a related occupation.** Some occupations requiring work experience are supervisory or managerial occupations.
- 9 **Long-term on-the-job training.** This category includes occupations that generally require more than 12 months of on-the-job training or combined work experience and formal classroom instruction for workers to develop the skills needed for average job performance. This category includes formal and informal apprenticeships that may last up to 4 years and short-term intensive employer-sponsored training that workers must successfully complete. Individuals undergoing training are generally considered to be employed in the occupation. This category includes occupations in which workers may gain experience in non-work activities, such as professional athletes who gain experience through participation in athletic programs in academic institutions.
- 10 **Moderate-term on-the-job training.** This category includes occupations in which workers can develop the skills needed for average job performance after 1 to 12 months of combined on-the-job experience and informal training.
- 11 **Short-term on-the-job training.** This category covers occupations in which workers can develop the skills needed for average job performance after a short demonstration or up to one month of on-the-job experience or instruction.

Business Services Cluster - 2004

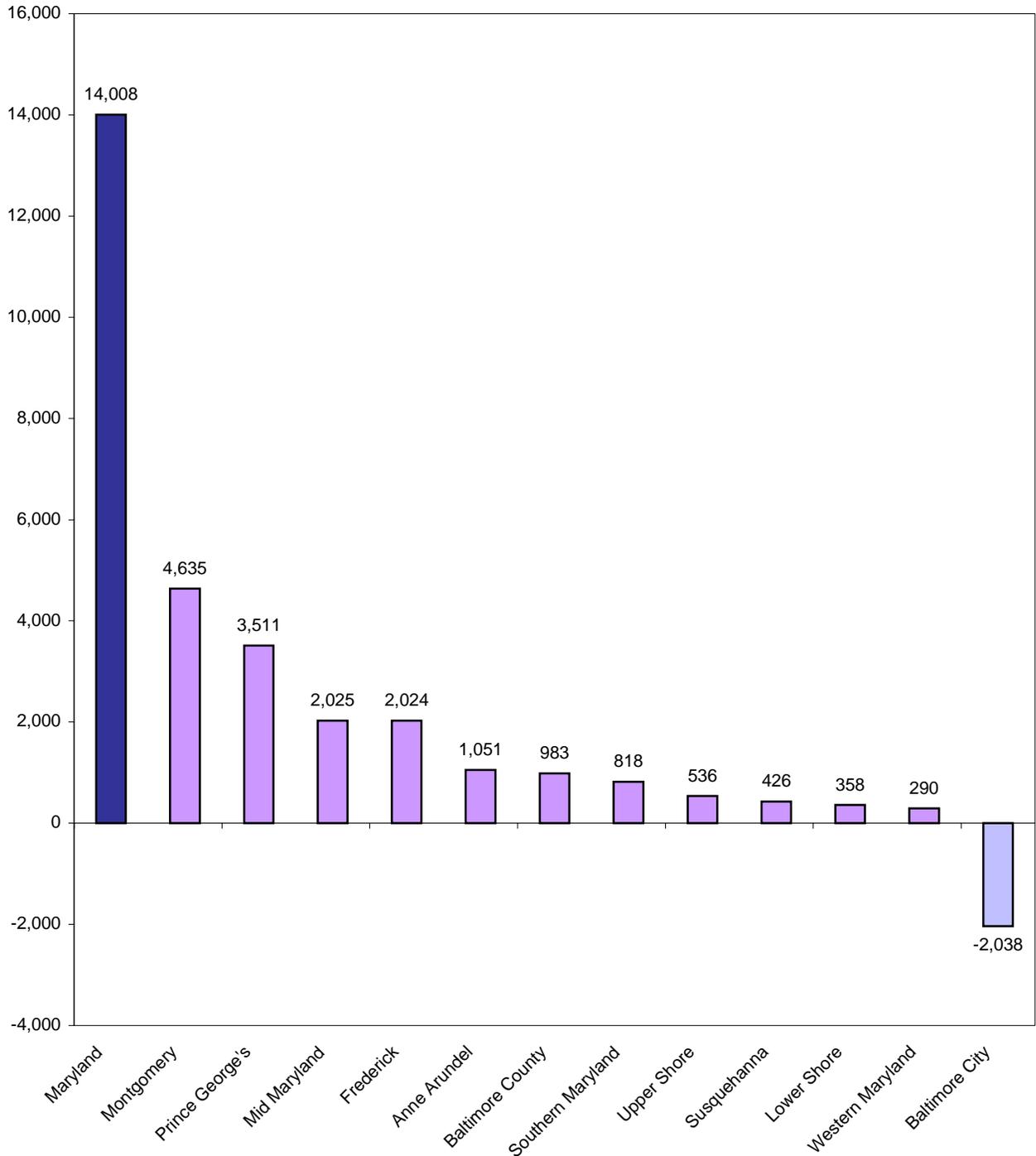


**Employment and Wages in the Business Services Cluster
By WIA and Select Local Jurisdictions**

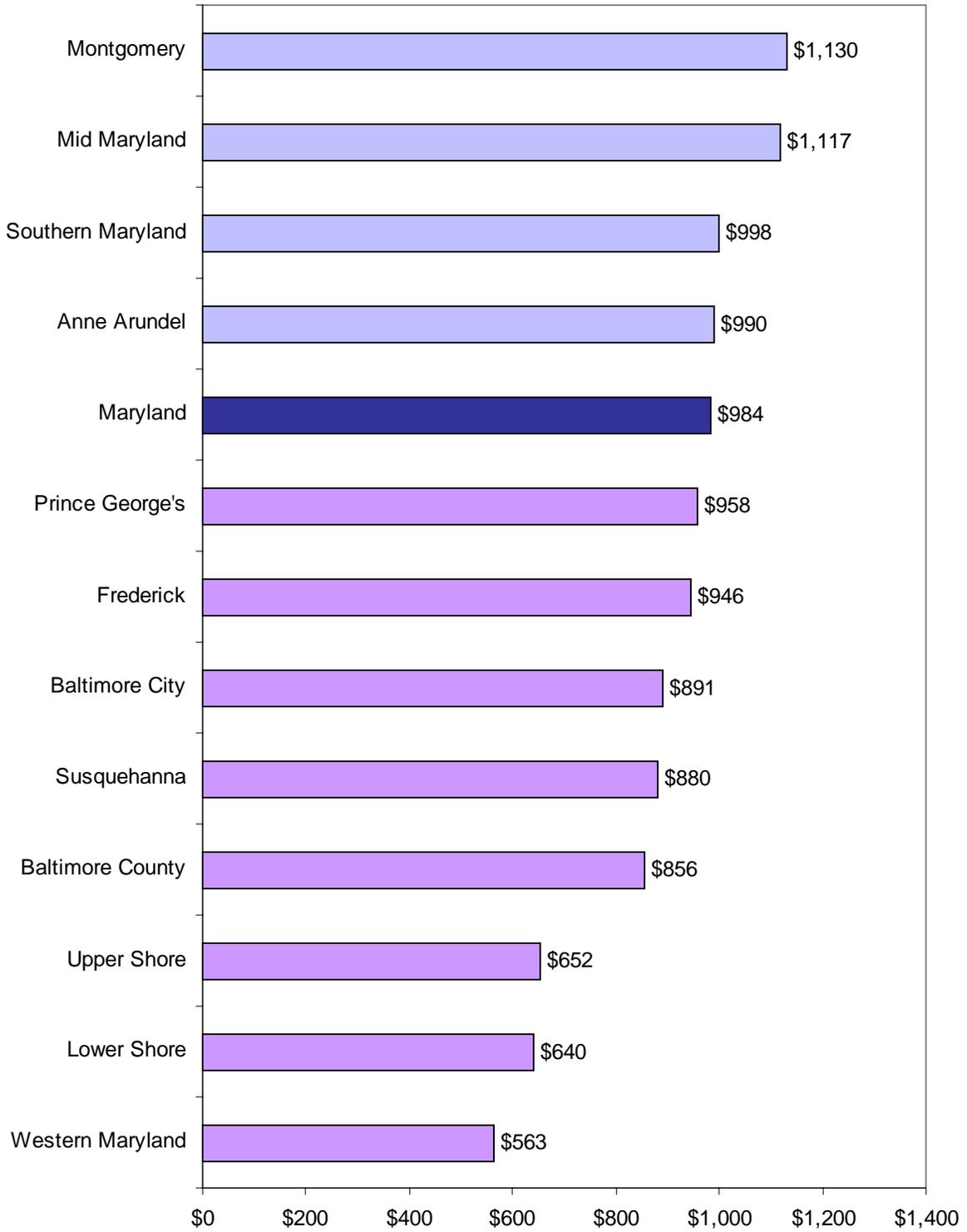
WIA	Employment		Employment Change 2004 - 2004	Number of Reporting Units 2004	Total Wages 2004	Average Weekly Wage 2004
	2002	2004				
Anne Arundel	31,785	32,836	1,051	3,015	\$1,683,855,774	\$990
Baltimore City	49,437	47,399	-2,038	2,475	2,196,141,101	891
Baltimore County	48,849	49,832	983	4,328	2,218,906,921	856
Frederick	11,553	13,577	2,024	1,160	667,809,750	946
Montgomery	95,856	100,491	4,635	7,757	5,905,167,946	1,130
Prince George's	43,418	46,929	3,511	3,031	2,338,242,679	958
Lower Shore	5,356	5,714	358	699	190,269,151	640
Somerset	170	179	9	47	4,981,914	535
Wicomico	3,981	4,334	353	405	150,605,889	668
Worcester	1,205	1,201	-4	247	34,681,348	555
Mid Maryland	30,205	32,230	2,025	2,926	1,872,220,812	1,117
Carroll	3,942	4,253	311	826	147,825,075	668
Howard	26,263	27,977	1,714	2,100	1,724,395,737	1,185
Southern Maryland	12,332	13,150	818	1,124	682,135,804	998
Calvert	1,789	1,606	-183	311	60,668,540	726
Charles	2,828	3,028	200	435	130,129,158	826
St Mary's	7,715	8,516	801	378	491,338,106	1,110
Susquehanna	12,721	13,147	426	1,268	601,544,789	880
Cecil	1,407	1,859	452	253	75,981,997	786
Harford	11,314	11,288	-26	1,015	525,562,792	895
Upper Shore	3,983	4,519	536	754	153,095,139	652
Caroline	429	388	-41	81	10,918,730	541
Dorchester	300	519	219	79	11,911,008	441
Kent	531	627	96	78	23,160,684	710
Queen Anne's	775	981	206	239	41,561,430	815
Talbot	1,948	2,004	56	277	65,543,287	629
Western Maryland	6,916	7,206	290	726	210,973,016	563
Allegany	2,036	2,201	165	198	49,812,795	435
Garrett	781	853	72	109	23,869,887	538
Washington	4,099	4,152	53	419	137,290,334	636
Nondistributable*	18,146	17,535	-611	4,369	948,174,747	1,040
Maryland	370,557	384,565	14,008	33,632	19,668,537,629	984

* Includes establishments in all Business Services Cluster NAICS industries that cannot be distributed geographically

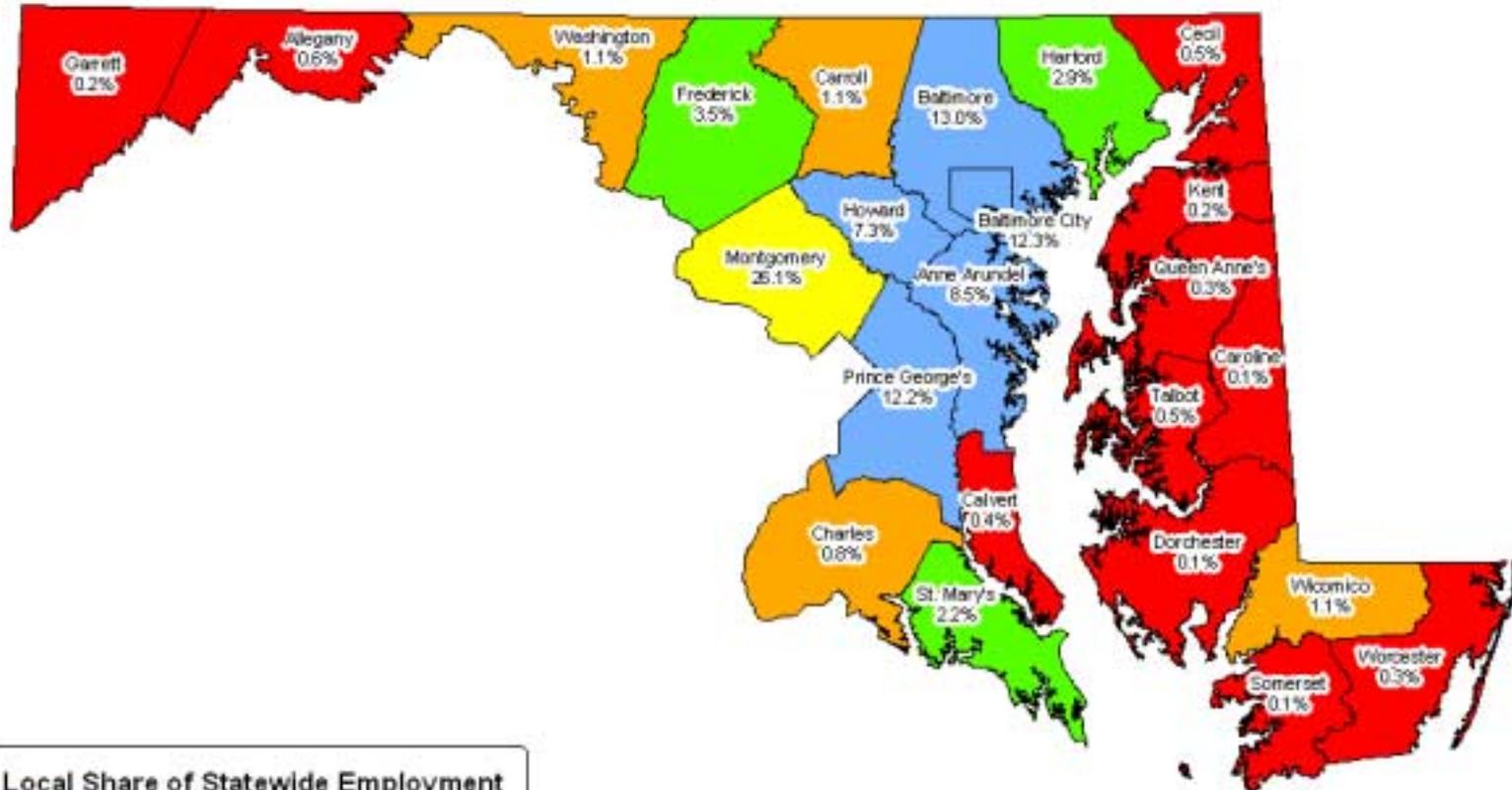
Employment Changes in the Business Services Cluster by WIA 2002 - 2004



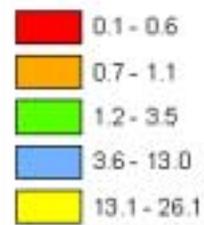
Average Weekly Wage in the Business Services Cluster by WIA 2004



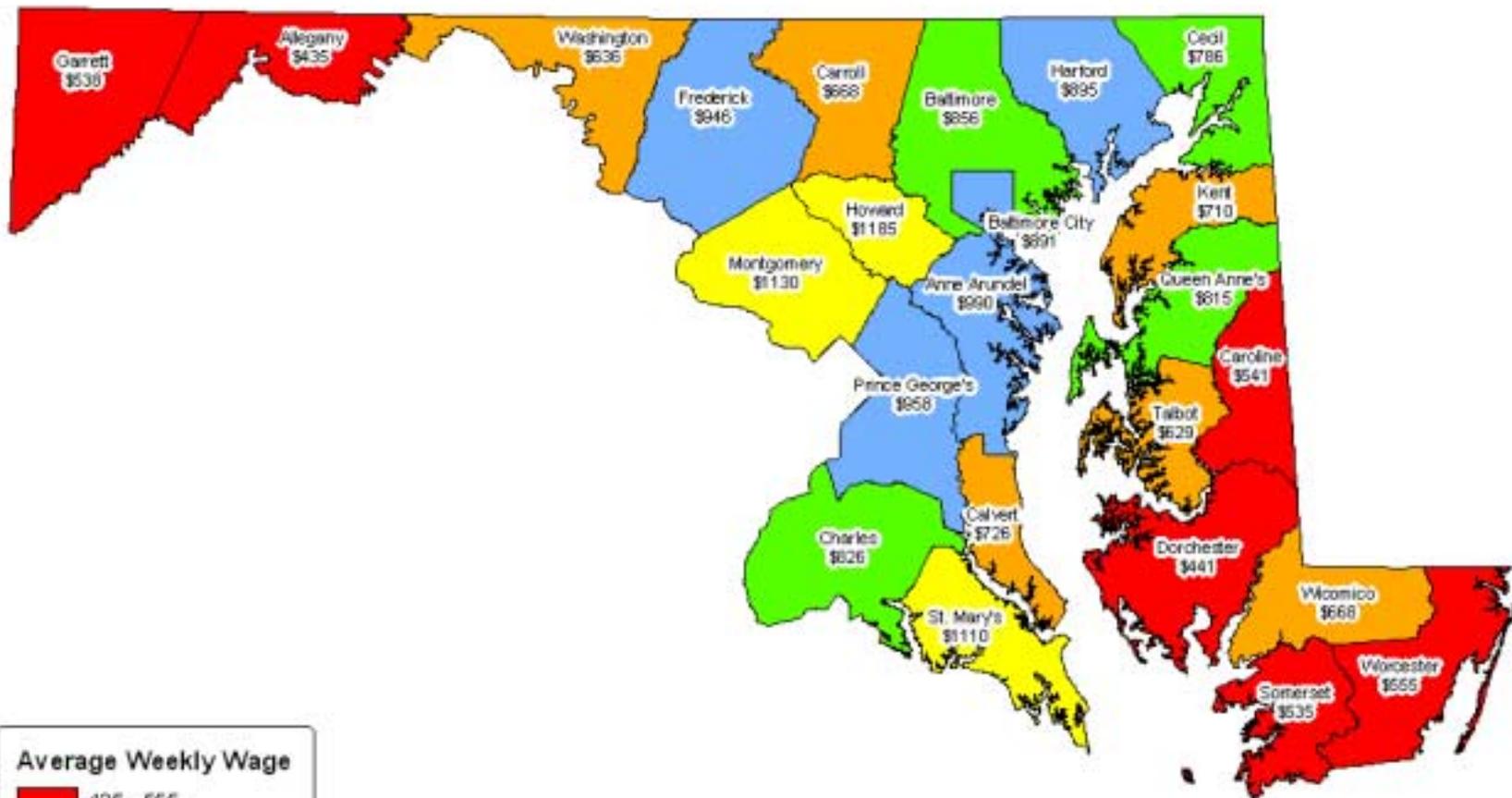
Local Share of Statewide Employment in the Business Services Cluster 2004



Local Share of Statewide Employment



Average Weekly Wage in the Business Services Cluster 2004



Average Weekly Wage

- 435 - 555
- 556 - 726
- 727 - 856
- 857 - 990
- 991 - 1185

